



WISCONSIN ACCOUNTING MANUAL

Department of Administration – State Controller’s Office

Section	03	BUDGETING	Effective Date	7/1/2015
Sub-section	08	Monitoring Appropriations	Revision Date	3/31/2015
SAM Ref	3-5			

BACKGROUND

Section 20.903(2) Wis. Stat. allows agencies to create liabilities in program revenue or segregated revenue appropriations at the end of the fiscal year not to exceed the unexpended monies plus accounts receivables, inventory and work in process. Certain appropriations are also allowed, by statute, to use the net book value of equipment and buildings as coverage for the overdraft. Overdrafts that are not covered/supported by these items are required by s. 16.513 Wis. Stat. to file a plan identifying how the unsupported overdraft will be eliminated.

POLICIES

1. It is the responsibility of each state agency which administers a program revenue appropriation or an appropriation of segregated revenues from program receipts to continually monitor such appropriations, and assure that any deficits (negative cash balances) are offset by the current, realizable value of accounts receivable, inventories, work in process or other assets as specified in ss. 20.903(2).

PROCEDURES

1. As part of the annual reconciliation process, a Statement of Program Revenue Overdraft Coverage (SPROC) shall be filed, on or before the second Friday in September, with the Department of Administration (DOA) for any such appropriations having a deficit balance.
2. If at the end of the fiscal year there are insufficient moneys, accounts receivable, inventories, work in process or other assets as determined by ss. 20.903(2) to cover the overdraft a plan shall be filed with DOA to identify how the overdraft will be eliminated.
3. The DOA shall review the plan submitted by the state agency and either approve or disapprove any plans. The approved plans will be submitted to the Joint Committee on Finance as provided in s. 16.513(3) Wis. Stat.